CHILD CARE REFORM

IN ONTARIO

SETTING THE STAGE

A PUBLIC CONSULTATION PAPER

Ministry of Community and Social Services
Ontario

Ontario

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SETTING THE STAGE begins the process of reforming the child care system in our province. It is an important process, because it affects so many parents, children and caregivers throughout Ontario.

I wish to thank those many individuals, child care professionals and organizations for the advice they have already given during the preparation of this public consultation document.

Now, I want to encourage you to join them by taking an active role in coming forward with your ideas about the future course of child care. There is really nothing more important in these uncertain economic times than the health and well-being of children - especially when their parents are out working or seeking employment.

Over the coming months, I cordially invite you to attend one of the public meetings which will be held in selected cities and towns across the province. These meetings will give you an opportunity to express your views and to hear the views of others. If you think your friends and neighbours would be interested in joining you at one of these meetings, please bring them along.

Those who prefer to send their ideas to us in writing are most welcome to do so. It is only through your active participation and the giving of your ideas that we can truly respond to your concerns. Together we can then create a better-managed future for child care based on quality, affordability and accessibility.

I look forward to meeting many of you over the coming months and I thank you again for your interest and valued input into this consultation process.

Yours sincerely,

Marion Boyd
Minister of Community and
Social Services,
Responsible for Women's Issues

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A Public Consultation Paper

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On peut également se procurer « **PRÉPARER L'AVENIR** », version française du document de consultation publique sur la réforme des services de garde d'enfants.

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I. Introduction: from charitable service to essential public service

Over the past 100 years, the role and importance of child care has changed dramatically.

In the late 1800s, day nurseries like Victoria Creche in Toronto were created as charitable services for the children of domestic workers. During World War II, when women began working outside the home in unprecedented numbers, the number of day nurseries increased sharply. Later, as family patterns and social and economic conditions changed, child care was seen as a way to promote social and economic equality for women. And over the past decade we've become more aware of how child care can promote healthy child development.

Today, child care is recognized as being critical to the economic and social well-being of society as a whole. It is evolving from a welfare service to an essential public service. In the past decade, and particularly with the previous government's initiatives in 1987, there has been a significant expansion of child care services.

While the current approach provides high quality care, it also has its limitations: demand outstrips supply; costs are rising; affordability is becoming more difficult; programs are too dependent on fee subsidies; and in some communities there are not enough services, in others, not enough of the right kind.

It is now time to move forward with the next step: child care reform. The Ontario government is committed to working with the public to create a child care *system* that provides services in an effective and efficient manner — a system that can change as our needs change and develop.

Four principles will guide this reform:

- **Quality is the cornerstone of the child care system**
- **Child care services must be affordable**
- **Child care services must be accessible**
- **The child care system must be soundly managed**

Central to this effort will be non-profit services. We believe that the best way to use public funds to improve the quality of child care is to direct them to publicly accountable non-profit services. Child care, like health

care and education, is simply too important to be left to the influence of market forces.

We appreciate that many people in the for-profit sector have invested their time and efforts to provide care, particularly before public funding was available. We will be talking with them about how we can help them to convert to non-profit status.

We also recognize that introducing major reforms during tough economic times will be a challenge. Fiscal pressures obviously will affect the timetable for reform. However, we should be planning now to take the first steps toward our long-term goals. Child care is too vital to the economic and social health of this province to be ignored at this time.

Major government initiatives to restructure our economy, to create job opportunities and to ensure equitable participation in training and paid work will only be effective if parents and the community at large know that our children are well-served by quality child care arrangements.

This consultation paper outlines the government's principles for child care reform. We're asking for your advice — whether you're a parent, a child care professional, a member of a child care association or a community representative — as to how we can best put these principles into action.

We need your views and opinions to help shape Ontario's approach to child care reform. You can become involved in the consultation process by participating in discussions in your community and by writing to us with your suggestions for reform. The final section of this paper explains how you can respond.

II. The need for reform

Child care in Ontario: the current picture

In Ontario, there are three types of child care services that receive government funding:

Centre-based programs, which are licensed by the provincial government, provide care for groups of children. In Ontario, approximately 124,000 children from infancy to 12 years of age attend 2,800 centres. Centres are located in many different places: one-third are in school buildings, some are in churches and community centres, others are in parents' workplaces, and still others are in separate buildings. Some centres offer full-day care, some provide half-day nursery school programs, and others offer services for school-age children out of school hours.

Regulated home-based programs provide care for up to five children in a caregiver's own home. These services are administered by one of 113 provincially-licensed agencies, whose responsibilities include matching families to caregivers as well as supervising and supporting caregivers. Agency staff — known as home visitors — visit each home regularly to monitor the quality of care provided to approximately 13,000 children in Ontario.

Child/family resource centres provide a range of services to children, parents and caregivers. These can include drop-in programs, toy-lending libraries, play groups for children, occasional respite care and short-term emergency care, training opportunities for caregivers, and education for parents. Varied services, reflecting particular local needs, are offered in well over 200 child/family resource centres in Ontario.

The programs offered by the three major types of services are as individual as the children they serve, and even two child care centres located just steps from each other could be very different. One centre could be a parent co-operative that serves only vegetarian food, while the other could be operated by a municipal government and have an integrated program for children with special needs. It is in the best interests of children and their families to ensure that flexible and child-centred services are maintained as a system of child care develops across the province.

Most families requiring child care make arrangements that are not funded, supervised or monitored in any way by the government. Families use unregulated care through choice, or because they cannot access regulated child care. Unregulated care may be provided in a child's own home or in an alternate caregiver's home. Such arrangements can be paid or unpaid, and are made informally by parents with caregivers such as

other family members, nannies, or neighbourhood babysitters. By law, no more than five unrelated children can be cared for at a time in such an arrangement.

Problems and limitations

Ontario's standards for licensed child care programs are among the highest in North America. But there are also problems that must be addressed if we want to keep pace with the changing expectations and needs of children, families and communities:

- the demand for child care services continues to outstrip supply
- the costs of child care continue to rise
- many parents can't afford to pay the full fee for child care
- many programs are too dependent for survival on fee subsidies; these are in limited supply and are unevenly distributed
- in some communities there are not enough child care services in general; in other communities, there are not enough of certain types of services; in others, local government has had other priorities.

The most immediate problem is that our "system" for child care isn't really a system at all. As different services were introduced, specific funding and management arrangements were created for each new service. As a result, we now have a hodge-podge of funding and management arrangements, making child care services difficult to administer. To make matters more complex, the capacity for local management and planning of services does not exist consistently across the province, which means that many individual child care programs don't get the help they need to develop new services and to support existing ones.

Four principles of child care reform

Although parents have the primary responsibility for child-rearing, as a society we all have a responsibility to provide for the well-being of children. Child care reform is based on the conviction that parents and society are partners in ensuring that children receive certain basic entitlements, including affectionate, consistent and competent care which fosters early learning opportunities for every child.

The introduction of child care reform, which is just one part of a larger government effort to promote economic renewal and social justice, will be guided by the following principles:

Quality is the cornerstone of the child care system

High quality child care services are:

- tailored to the age and developmental level of each child, and promote healthy development
- provided by trained, experienced caregivers
- provided in ways which allow parents to participate in decisions about their children's care
- provided in ways that take into account people's differences in values, religions, languages, race and customs.

Child care services must be affordable

Affordable child care services are:

- paid for through a combination of public funding and parent contributions
- based on parental ability to pay, so that financial situation is not a barrier to access.

Child care must be accessible

Accessible public services are:

- available to those who require and wish to use them
- flexible and responsive to the changing needs of children and their families
- sensitive to the unique needs of individual families and geographically diverse areas of the province.

The child care system must be soundly managed

A soundly managed system:

- clearly defines the responsibilities of each level of government and makes sure they're well co-ordinated
- distributes service levels fairly across the province
- is accountable to children, parents and taxpayers.

Why an essential public service?

A quality child care system offers many essential public benefits:

Child care is fundamental to the social well-being of children, families and communities. Quality child care programs help children to continue to develop learning, social and physical skills. Such programs can prevent future problems — and the costs that go with them.

Child care provides important help to working parents, especially women. It enables mothers of young children to work or go to school — a key to social and economic equality.

Child care services also support parents who stay home with their children. Resource centres help parents provide their children with a wide range of social and educational activities.

Child care is fundamental to the economic well-being of families and communities. More parents with young children work outside the home than ever before. Increasingly, two incomes are required for many families to maintain a reasonable standard of living. Without adequate and affordable child care, many sole-support *and* two-income families would fall below the poverty line. Other parents would be unable to pursue the training and education they need to get and keep jobs.

We *all* benefit when parents can enter or remain in the workforce: our province produces more wealth, and fewer people need social assistance. Child care also helps communities attract economic development, because it promotes a stable labour force. Child care is an important pre-requisite to job creation, economic renewal and growth.

Child care is an investment in the future. The long-term economic and social health of the province depends in part on the learning and developmental environments of today's children. We all benefit, both now and in the future, from services that ensure the development, safety and well-being of children.

Why non-profit?

As a society, we agree that some services are so essential that government must ensure they are available to everyone who needs them. That's why most hospitals and schools in Canada are publicly funded and universally accessible.

Child care is an essential public service. The Ontario government believes that the best way to make it universally accessible is to encourage the expansion of non-profit, community-based child care services.

Public money is limited, and must be placed where it will create the greatest public benefit. The best way of promoting high quality programs is to direct funds where they will improve services. Institutions receiving public funds should be directly accountable to users, taxpayers and government. For these reasons, public funding will be used to support non-profit programs.

We recognize the important contributions of for-profit programs in providing a service before government funds were available for child care. But we do not believe that public funds should be given to for-profit ventures, where the care of children is concerned. Child care, like health or education, is too important to be influenced by the pressures of the marketplace.

For-profit centres will continue to exist and be licensed. They will not receive new public funding, but over the next five years, we will assist in converting to non-profit status those who wish to do so.

Our long-term goal is to create a universally accessible system. We believe that funding non-profit child care is the best way of achieving this end.

Reform overview: key components and sequencing

The government's proposals for child care reform include the following key components:

- **A new management structure** with clearly defined roles for provincial and local governments — a structure that includes local planning and community participation.
- **A new funding strategy** to provide direct funding to non-profit child care programs.
- **A new strategy to promote flexible services** that provide more choices for parents and better continuity of care for children.

Child care reform will be implemented over time in three broad stages. Implementation and timing for each stage will depend on the resources available within the government's total fiscal framework. Each stage will be designed to achieve a central goal:

- Stage One Goal: **Providing stability to the system through a reform of management and funding.**
- Stage Two Goal: **Promoting a range of flexible, affordable, co-ordinated services.**
- Stage Three Goal: **Expanding these services so that they are accessible to all families who need them.**

Child care: a government-wide effort

Since child care programs are an essential part of the social and economic fabric of the province, child care reform must be viewed as a government-wide initiative. Like most government-wide initiatives, it will require a great deal of collaboration among many provincial ministries.

This collaboration is already under way. There have been a number of government proposals put forward concerning the role of child care within the larger picture of social services and education. And currently, a number of government reviews and consultations are looking at links between child care and other services, or considering matters that bear directly on child care reform.

Child care reform is linked to and will be influenced by these and other government policies and proposals, including:

Federal Government Initiatives:

In 1986, the federal government proposed a national child care strategy which included seed funding for new initiatives and for research, tax measures, funding for Native child care, and replacing the Canada Assistance Plan (CAP) as the main federal funding mechanism for child care. Only the seed funding and tax measures were implemented.

In the case of tax measures, the federal govenment has increased the child care expense deduction up to $4,000 per child under six years of age. Although this reduces the financial burden for some, it is a regressive measure in that it favours those with higher incomes who can afford child care services for which receipts are provided.

The federal government has also placed a ceiling on its expenditures under the Canada Assistance Plan. This cutback means that the federal government no longer matches the provincial government's expenditures on child care. The result has been to increase fiscal restraints on and reduce expansion of child care services in Ontario.

There is still a good deal of uncertainty about what the federal government will be doing with respect to child care. However, the provincial government will not delay development of its own child care system. Ontario will proceed with child care reform and make necessary adjustments as the federal policy becomes clearer.

Initiatives to Reform the Relationship between the Province and Local Governments:

At present, a major review of the division of responsibilities among the province, local government and special-purpose bodies (e.g., social

planning councils) is under way. The scope of this review (the provincial/local "disentanglement" initiative) is broad and will examine the full breadth of provincial/local responsibilities, including social services, such as child care.

The objective of the review is to give each level of government clear responsibility for specific services, and the authority and financial capacity to effectively perform its particular role.

The recommendations flowing from this review will have obvious implications for services such as child care.

As the goal of child care reform is to simplify and clarify the provincial and local roles with respect to managing and funding child care services, the child care reform consultation will provide valuable input to the overall review of provincial and municipal responsibilities.

Ministry of Education Initiatives:

A series of changes have created closer links between child care programs and education. Junior kindergarten and kindergarten programs have been expanded, and in 1987, the provincial government mandated that new school buildings include space for child care services. This has led to a rapid expansion of school-based child care programs. School boards are also becoming involved in providing after-school programs for older children and child/family resource programs.

At present, the Ministry of Education is conducting a public consultation on The Early (School) Years. The outcome will influence child care reform, since both consultations are looking at the way responsibility should be divided between the Ministry of Education and the Ministry of Community and Social Services.

Work and Family Policy Initiatives:

The Ministry of Labour has begun a general review of the Employment Standards Act, and will be looking at ways in which work and family responsibilities might be accommodated better.

Policies on leave for family responsibilities could affect child care in a number of ways. They could enable parents to combine work and family responsibilities more successfully, while meeting the child's needs for nurturing, stable care and healthy development. Special measures in these areas might also reduce the demand for supplementary and emergency care, something which many parents need when their children are sick or on school holidays, or when a regular caregiver is unavailable.

These changes would be in keeping with a fundamental goal of child care reform — that child care must be responsive to individual families' needs.

The shape of things to come

The provincial government won't be acting alone to bring about child care reform. Developing and providing accessible, affordable, high quality services will involve a partnership among parents, child care staff and other caregivers, advocacy and professional organizations, unions and employers, communities and all levels of government.

The specific nature of Ontario's child care system will depend on the results of this public consultation exercise.

The next section of this consultation paper starting on page 12, outlines the government's specific proposals for child care reform and the issues on which your advice is sought. Once the government has the benefit of public input, child care reform can begin.

Perhaps the easiest way to understand the kinds of changes that child care reform could bring about is through an imaginary, though not unrealistic, example of how they could affect an individual family:

It's 1997 and Emma Jones and Jorge Nunez have two children: Anna and Charlie. Charlie is developmentally disabled. When Charlie was ten months old, Jorge took six months off work to stay home with the kids. However, after two months he found that three-year-old Anna's boundless energy was making it difficult for him to give Charlie the extra attention he needed. Jorge felt exhausted and frustrated by the time Emma got home from work. So Jorge took Anna to the play group at the local resource centre, and set out with Charlie to see what else the centre had to offer. Through the information and referral service that had been going since 1994, he learned that a nearby child care centre had several vacant part-time spaces for pre-schoolers.

The centre, which was located in an elementary school, had started offering part-time spaces in 1993. Before that, funding had been so unstable that the centre hadn't been able to offer anything but full-time spaces. Anna was delighted to spend three afternoons a week with children her own age, and Jorge got an opportunity to spend extra time with Charlie. When it came time for Jorge to return

to work, he contacted the regulated home-based child care agency established at the elementary school in 1994. Luckily, a caregiver in his area had received training in caring for special needs children, through a new program at the resource centre. Charlie needed more one-on-one attention, and regulated home-based care was the perfect solution. Anna, on the other hand, was happy to remain at the child care centre full-time. Their parents were happy too, because they knew their children were being well cared for while they were at work.

Emma knew all about the provincial legislation mandating quality standards that had been passed in 1994, because she served on a community board that supervised three child care centres and the neighbourhood resource centre. Before 1993, the programs had separate boards. Then, the new local management body, created as a result of child care reform, encouraged separate programs to co-ordinate their services and merge their boards of directors.

The community board was made up of parents and community representatives in the area, and at first, Emma hadn't been keen to serve on it. She had plenty of responsibilities already and frankly thought it just sounded like hard work for which she wasn't very qualified.

But the local management body provided financial and management training to new board members. When it came time for Emma's board to present their budget to the local management body, which made decisions about what services and programs to develop, she was confident that she'd had enough training to do the job. Through the board, Emma learned about other services in the community that her family might need in the future, like an after-school program run through a recreation centre and an emergency care program run through one of the home-based agencies. Mostly, though, Emma was glad to have the opportunity to have some input into decisions that would affect both her children.

THIS IS JUST ONE VISION... WHAT'S YOURS?

III. The road to reform:
Government commitments and issues for public discussion

A. How can we promote quality as the cornerstone of the child care system?

Background

Many studies have shown that high quality child care has a positive effect on children. Research has also identified the factors which contribute most directly to quality. These factors relate to the caregiver, the health and safety of the child's environment, the interactions between the caregiver and the child, and other "contextual" factors, such as parental involvement.

With the benefits of child care firmly established, researchers, policy makers and parents are increasingly focusing on questions such as: How can high quality care be developed across the board? Can quality be guaranteed through legislation and enforcement? If so, how?

In Ontario, the *Day Nurseries Act* and Regulation governs the provision of licensed child care. It provides high standards for developing and maintaining quality in licensed infant, toddler and preschool centre-based programs. In fact, the *Day Nurseries Act* has been used as a model of child care legislation in other parts of North America.

However, over the years, child care has changed and the *Day Nurseries Act* has not kept pace. For example, some of the services currently available for school-age children are not covered in the Act.

With respect to training and qualifications, over half the staff in Ontario's centre-based child care programs have an Early Childhood Education (ECE) diploma or equivalent. In regulated home-based services, all home visitors have a background in child development and the caregivers they supervise have opportunities for in-service training. There are no requirements for staff qualifications in child resource centres, but there is general agreement that a background in early childhood development and education, adult education, or community development is important.

The shortage of further training opportunities for child care staff, especially training in management, is a serious problem. Generally, there are not enough programs in the province offering advanced education. Staff and caregivers lack opportunities to upgrade, learn new skills and improve the quality of services in their programs. A shortage of advancement

opportunities makes it difficult to attract and retain qualified staff and caregivers.

Proposed Directions

In order to promote quality as the cornerstone of the child care system, the government is committed to:

Creating consistent standards that ensure regulated programs are accountable in terms of quality. Standards must be developed to cover *all* regulated child care services and should focus on measures of quality and quality outcomes. The goal is to have clear measures of successful programs, to make existing programs more effective and establish high benchmarks for all services.

Promoting developmentally appropriate programs that are delivered by trained and qualified staff. Program content and staff/caregiver qualifications are two of the most important ingredients of high quality child care services. All strategies that promote excellence in staffing, including training and development programs as well as salary enhancement programs, must be explored.

Directly funding only those services which are regulated. Core services are centres, home-care agencies and child/family resource centres. The government will not provide funds directly to unregulated child care arrangements, for example, with nannies, neighbours or relatives, because it would be impossible to monitor the use of funds and the quality of services delivered.

Expanding the network of child/family resource centres in neighbourhoods as a means of supporting quality in informal child care arrangements. Resource centres provide programs for children and training and education for parents and unregulated caregivers.

Providing parents and the public with information about child care and child development. Informing and educating parents about factors that promote quality will help them to become more knowledgeable consumers of child care. Knowledgeable consumers are better advocates for high quality child care.

Issues to consider

Legislation:
Child care programs vary tremendously in terms of the ages served, hours of operation, educational philosophy and so on. The *Day Nurseries Act* permits flexibility in accommodating the wide range of programs that are all considered child care services. But this attempt to provide flexibility means that legislation has not always been consistently and uniformly applied across the province.

The government is committed to developing new provincial legislation that will recognize:

- a full range of child care services in Ontario
- a full range of service providers and new funding arrangements in Ontario
- current knowledge about quality indicators in child care programs
- flexibility in service delivery, to accommodate diverse communities and needs.

One of the most important purposes of this public consultation on child care reform is to seek advice from parents, service providers and communities on what legislative reforms are needed.

Qualifications of caregivers:
As part of its commitment to excellence in child care staff, the government is reviewing requirements for caregivers and centre-based staff. Public advice is needed on a number of issues related to the training of service providers, including:

- the need for additional requirements for child care centre supervisors/administrators, such as specialized training in management and administration
- types of education and training appropriate for staff in school-age programs
- accessibility of Early Childhood Education (ECE) post-secondary programs
- differences between ECE training and the qualifications required for elementary school teaching

- employment equity as a way to improve the ability of programs to serve *all* children in their care more effectively
- training requirements for child care staff and resource teachers who work with children with special needs.

Home-based child care:
The quality of home-based child care is higher when:

- appropriate standards are in place
- caregivers are licensed or supervised/supported by a licensed agency
- supports for caregivers are available in the community
- training opportunities are available specifically for caregivers in home child care settings.

These features are more likely to be found in regulated, supervised home-based care. As an outcome of reform, the government would like to make this type of care more available to familes who choose home-based care. We would like to see more caregivers involved in providing regulated home-based child care.

Many families will, for a number of reasons, continue to arrange care in unregulated home settings. Quality is not ensured in these settings, but it can be supported through neighbourhood child/family resource programs.

Public advice is sought on:

- how to attract and retain more caregivers (through, for example, improved benefits of employment and working conditions) to the regulated home-based sector
- how to encourage more families to use regulated home-based care
- how to retain high standards and support quality in regulated home-based services
- the role of government in unregulated home-based settings.

Parental involvement:
Parents can be involved in child care in a variety of ways:

- informal daily conversations with caregivers
- learning about early childhood development and how to identify high quality in a child care setting
- participating in a program by, for example, helping out in a centre for a few hours a month
- participating in the planning and management of a program by, for example, serving on a board of directors or on a parent advisory committee.

The government is committed to promoting parental involvement in child care services, and seeks public advice on how this goal can be achieved.

Questions for consultation:

Quality

1. How can **legislation** be improved to support quality child care?
   - Should new legislation include different standards for different age groups? For which aspects of care should different standards be developed?
   - How can we balance flexibility and the need to maintain strong provincial standards in support of quality?
   - How can licensing standards be more closely linked to the indicators of quality which have been shown to support excellence in child care (e.g., positive staff/child interactions, program content, trained staff)?
2. How can **staff excellence** be enhanced to support quality in regulated care?
   - What staff qualifications are appropriate for the care of children of different ages? For staff working in child/family resource programs? For supervisory or management staff?
   - How can opportunities for career advancement in the child care field be improved?
   - How can training programs for child care staff link with, for example, training for elementary school teachers, or for those working with children with special needs?

3. How can service quality be supported in the **home-based child care** sector?
   - How can the regulated home-based model of care be modified to attract more parents and caregivers?
   - How can regulated home care agencies best support the quality of care in the homes they supervise?
   - How should provincial standards support quality in regulated home-based child care? Should the present ceiling of five children per home be changed?
   - Given that many families will continue to use unregulated home-based child care, what role should government play in enhancing the quality of care children receive in such "informal" arrangements?

4. What role should **parents** play in supporting the quality of care their children receive? As a parent:
   - What matters most to you when you look for quality in child care?
   - What kinds of roles do you *want* to have in the child care programs you use? What information do you need to participate fully?
   - In what ways should you be directly involved in decisions which affect program quality?
   - To what extent should parent involvement in regulated child care services be mandated (e.g., through membership on boards of directors or on parent advisory committees)? How can meaningful parent involvement be achieved without taxing your time and energy?
   - What role should child/family resource centres play in promoting quality child care?

B. How can child care be funded in order to make it affordable?

Background

The amount of money that the Ontario government spends on child care each year has increased from $108 million in 1985 to an estimated $436 million in 1991. But the current method of funding child care services hasn't created stability for individual programs.

The government's current base funding goes mainly to improving the salaries of caregivers and support staff in the form of a direct operating grant. It does not guarantee the on-going viability of the programs themselves. There are three problems:

First, funding of individual regulated programs is complicated, because money is provided through a variety of sources:

- parent contributions: most parents pay the full fee for child care provided in licensed centres. Overall, parent contributions for child care total about $450 million
- some parents receive subsidies: the cost is shared by the federal government, the province and municipality, Indian Band or an approved agency to cover part or all of their child care expenses
- base funding from the province to improve salaries/wages for child care staff
- program development funding: the province provides on-going funding for child/family resource centres, one-time start-up funding for new non-profit child care programs, funding for neighbourhood needs assessments, community development, pilot projects, public education and research
- major capital grants: provided by the province for construction or major renovation of non-profit child care facilities.

Second, the costs of child care have increased and many families who do not qualify for financial assistance from the government cannot afford to pay the full fees in licensed centres and regulated homes.

Third, the survival of many child care programs has become too dependent on fee subsidies. In most parts of the province, families must first qualify for a subsidy through a needs test which evaluates family income and expenses, and then determines what proportion of family income is available for child care expenses. Public funding for subsidies is limited. Families who are eligible for subsidies often must wait until

another family leaves a subsidized space before they can receive subsidized care, even though a full-fee space for their child may be available.

Proposed Directions

In order to make child care more affordable, the government is committed to:

Providing base funding directly to non-profit child care centres and regulated home-based child care services to stabilize programs. Base funds to cover program costs will be determined through standardized budgeting. Base funding will simplify administrative procedures for individual programs, and will provide stability by ensuring levels of money available to individual programs.

Ensuring that base funding of programs promotes fair wages and working conditions for staff in non-profit child care centres and for regulated home-based caregivers. This will support the high quality of child care services, by enabling individual programs to attract and keep qualified and trained staff, caregivers and home visitors. In for-profit centres, promoting fair wages and working conditions will be the responsibility of centre operators.

Encouraging programs to provide more flexible services by recognizing the extra costs of providing part-time, special needs, infant care, and other specialized services.

Providing a fairer distribution of financial resources across Ontario, to promote program viability and stability. For parents, fairer distribution of provincial funds means more equal access to child care services across Ontario.

Developing a new way of determining parental contributions to child care services. The existing needs test will be replaced by a mechanism that will determine what all parental contributions should be, based on affordability, income levels and reasonable cost.

Maximizing cost-sharing with the federal government to offset the cost of directly funding child care services. Currently, the province is seeking to improve cost sharing and tax arrangements with the federal government.

Issues to consider

Flexibility of required services:
The government is committed to promoting flexible services through base funding formulas that recognize the additional costs of providing some types of child care. Currently, many child care centres do not provide flexible options such as those for shift workers, or emergency care spaces, because they cannot afford to do so. Stable funding should enhance the ability of programs to respond more flexibly to the needs of children and their families.

Public advice is sought on ways to encourage programs to offer more flexible types of care. Options could include:

- Additional funding for staff and facilities to meet the added costs of integrating children with disabilities and serving others with special needs
- Incentives to encourage child care services to offer care for children of shift workers, or on a part-time and flexible-use basis
- Recognition of costs that are particular to certain geographical regions or rural areas.

Parental contributions:
Many parents will continue to pay part of the costs of child care services provided in licensed centres and regulated homes. In unregulated home-based arrangements, parents will continue to pay the full costs for child care. Although some of these costs may be offset through tax deductions, the arrangement may not include receipts for this purpose.

The government is seeking advice on new ways of setting the amount of the parental contribution. Options could include:

- Fee exemption based on a family's income level
- Determining an overall amount that the province wants to recover from parents and establishing parent contributions, based on ability to pay, to achieve the target
- Determining parental contributions as a percentage of family income, up to a set maximum amount

- Determining that no family, regardless of income, will pay more than a set amount of dollars for regulated child care services.

Questions for consultation:

Affordability

1. To what extent do you support the overall direction of achieving affordable and stable services by providing **base funding** (i.e., on-going operating funds) to non-profit regulated child care services?
   - What implications are there for your community if Ontario adopts a base funding approach to child care?
   - How can a more standardized approach to the operating costs of child care programs be implemented? What factors will need to be taken into consideration?
   - How can operating costs be controlled?
2. How should an appropriate **parent contribution** be determined? To what extent should parents be assisted with their child care costs?
   - Is income level the best way to decide who should pay and how much they should pay? If so, at what income level should families begin to pay for child care?
   - What other factors besides income should perhaps be considered? In what other ways might this decision be made?
3. Should there be a **maximum amount** that any family would pay for child care regardless of their income level and regardless of the true cost of providing the service (much as we have set tuition fees at colleges and universities, which do not cover the true cost)? If a maximum annual amount for child care is established (e.g., $4,000 per year per child), at what income level should parents be required to pay the maximum amount?

C. How can we make this essential public service more accessible?

Background

Child care services are not appropriately distributed across the province. Municipalities and other community agencies have some say in how much money will be spent on child care and what kinds of services will be funded. This may lead to differences across Ontario in terms of accessibility.

In some communities, there aren't enough licensed child care services generally. In others there aren't enough of certain types of services, for instance, for children with special needs.

Part of the problem lies in the fact that community-based planning, management and support services are fragmented. As a result, child care programs, and information about those programs, may be difficult for parents to access.

Recently, several provincial and federal programs have helped communities to develop and support child care services by providing administrative and financial assistance for planning and co-ordinated development. Unfortunately, funding for these programs has not been on-going and some areas of the province have received little assistance.

Many communities have problems developing and co-ordinating new child care services because they lack:

- administrative and financial start-up assistance
- training for home-based caregivers and centre-based staff
- professional development for boards of directors
- curriculum development assistance, for example, in group programs
- consolidation of administration services
- consumer information and referral services.

Linking and co-ordinating services can help parents achieve access to the kinds of services they need and want. When services are linked, parents can, for example, go to a child/family resource centre not only to use a toy-lending library but to find out about centre-based programs and home-based caregivers in the neighbourhood. Inadequate links between child care services in some communities means that:

- parents can have difficulty finding information about different services and obtaining access to them

- child care programs face common problems, but deal with them in isolation, making it more difficult and costly for them to find and implement solutions
- parent boards of directors of child care services may lack administrative and financial expertise to plan effectively to address particular needs.

Proposed Directions

In order to make child care more accessible, the government is committed to:

Developing a comprehensive system that offers a range of regulated child care services for children up to 12 years of age. A comprehensive system will provide families with more choices, and will provide children with more continuity of care.

Ensuring access across the province based on need and equity, with particular attention to rural and northern areas. A provincial funding framework will set out mandated levels of service and identify target groups and equity requirements.

Strengthening links between core child care services — centres, home-based programs and resource centres — by strengthening community/parent boards of directors. When boards provide good management to individual programs, their effectiveness is increased. Many organizations, such as child care development groups, school boards, or other accountable bodies, may be capable of providing specific support services.

Expanding links between core services and other children's services such as education, recreation, health and social services, to support continuity of care and more effective use of existing programs. Strengthening the network of existing programs will allow a more holistic approach to child care, and help families to meet their individual child care needs.

Continuing to provide base funding for child/family resource centres. This will ensure the on-going stability of these services. For parents, this means continued access to programs that supplement their child-rearing responsibilities. Through their information and referral services, parents have greater access to the types of services they want and need. These programs can also help unregulated caregivers improve the quality of care they offer.

Promoting new community-based child care services and maintaining existing services by improving development and support services to communities.

Improving the capacity of all child care programs to respond to children with 'special needs', broadly defined. A child care system which is more flexible and responsive to individual needs will facilitate improved integration.

Providing programs that reflect and respect Ontario's diverse society and take into account people's different values, religions, racial and cultural origins, languages and customs.

Providing programs in Francophone communities that reflect linguistic and cultural heritage.

Ensuring that aboriginal communities determine the direction of their own child care programs and services in the context of current discussions on self-government. It is also recognized that aboriginal people may wish to participate in the wider public consultation.

Issues to consider

Flexibility of services:
Child care needs and preferences are highly individual. For example, some families need child care services outside of the 9-to-5 work day.

There are also differences from one community to the next. Families in rural communities, for instance, may not have as many choices of different types of care. Those who live in areas where seasonal employment is high often need flexible services to adapt to changes in their work patterns during the year.

The government is committed to increasing the flexibility of child care services. As part of that commitment, the government is stabilizing funding for child care centres, to encourage centres to provide more flexible types of care, and thus more choices for parents. Public advice is sought on other ways to improve the flexibility of regulated home-based and centre-based programs.

The role which labour and business can play, in partnership, to support work and family initiatives (e.g., through workplace child care services, creative employment policies, etc.) also requires exploration.

Links between core child care services have already been successfully established in some communities. In some cases, individual programs have merged their boards to integrate a variety of services and provide easier access for parents. In other cases, a "neighbourhood hub" model has been established at the outset to provide integrated service. Models of service delivery like this make it easier to: co-ordinate recreation and other specialized children's services with child care programs; provide resource and referral services for parents; and provide planning and service development for child care staff and managers.

A "neighbourhood hub" model could be governed by a board of directors which includes parents and community representatives, or operated by the child care advisory committee of a multi-service organization, school board or other publicly accountable body.

"Community schools" are a good example of one type of neighbourhood hub model. They provide a range of services to children and families through child care centres and resource centres, kindergarten, primary and junior grades, as well as after-school programs.

The government is seeking public advice on ways of increasing cooperation and co-ordination among child care services.

Links between child care and other children's services already exist in some cases, such as the ties between child care programs and schools. We can make better use of our existing resources if we strengthen these links, giving families better access to services that are more flexible. Also, new programs could be created for under-served groups, particularly school-age children.

The government is seeking public advice on how to improve links between child care and other children's services. Options could include:

- Having schools and school-based child care programs share staff and jointly develop staff and curriculum
- Encouraging school boards to provide child care programs outside of school hours for school-age children, thereby promoting continuity of care for these children and providing a 'seamless day' in terms of the setting in which they receive care

- Co-ordinating child care and recreation programs to provide services for school-age children outside school hours and during summer months
- Linking more closely with services for children with special needs.

Support services are needed to develop centre-based and home-based programs as well as child/family resource centres. Some support services are already offered through resource centres and child care development groups. These services could also be provided through child care centres, school boards, home-based care agencies, and by the government through provincially-designed training and development packages.

The government is seeking public advice on how to improve services such as:

- professional development for staff and boards of directors
- child care provider training
- curriculum design
- child care service start-up support
- consolidated administrative services
- information and referral services.

Special needs:
Current legislation defines children with special needs as those with physical or developmental disabilities. This definition needs to be broadened to include children who may have other special needs such as behavioural or emotional disorders.

The government is committed to improving services for children with special needs and, increasing the integration of children with disabilities into all child care programs. Public advice is sought on ways to address some of the current problems in this area, which include:

- inadequate distribution of services, making it difficult for families to obtain access to these programs, particularly in isolated communities

- funding, which is too narrowly defined in legislation to allow service providers to offer programs for children with special needs
- programs are not co-ordinated well with other types of children's services, such as mental health services, or specialized school, recreational or health services.

Aboriginal concerns:
Aboriginal communities are seeking to control both on- and off-reserve child care services for aboriginal people. Other issues include culturally appropriate training for staff, co-ordinated planning and management by aboriginal communities, and a child care system developed in the context of self-government. The consultation on child care reform will include a separate process for aboriginal communities, which will lead to a new aboriginal child care policy. Aboriginal people are invited to participate in all aspects of consultation on child care reform.

Francophone concerns:
Francophone communities are concerned about service equity and access, and the need for child care programs that sustain and develop cultural and linguistic identity. This consultation paper is available in French, and the government is seeking input from francophone communities and individuals on child care reform.

Questions for consultation:

Accessibility

1. How can regulated services be adapted to provide more **service flexibility** and responsiveness to the changing needs of children and families?
   - What funding and/or legislative changes would assist in creating a more flexible service system?
   - How can child care needs in rural and geographically isolated communities best be met?
   - What new models of care should be considered to provide more flexible child care delivery. (e.g., small home-based programs of up to 10 children with two adults; programs for older school-age children; in-home models for special circumstances; school-based programs specifically for student parents)?

- Would having specific legislated standards for new models facilitate or hinder their development? In what areas might specific standards be considered?
- How can the unique needs of francophone communities for accessible child care be addressed?
- How might child care services better reflect diverse cultural, linguistic and racial backgrounds?

2. How can child care services be **better linked?**
   - What opportunities are there in your community for merging smaller programs under one administrative board? How can this strategy for service co-ordination and linkage be achieved most effectively?
   - How can child care services be better linked with other children's services such as education, children's mental health and recreation? How can we avoid duplication of service efforts, for example between recreation and school-age child care programs?
   - What models of care could be developed collaboratively among schools, recreation and health agencies and child care programs to maximize available resources, expertise and facilities, and to improve access to high quality services for school-age children?
   - How can the links between schools and child care programs be strengthened? What mandate should schools, school principals and school boards have in ensuring that child care services are available for school attenders?
3. How can we improve access to mainstream child care services for **children with special needs?**
   - Should base funding to services be provided to reflect the resources required to serve children with a wide range of special needs?
   - Should child/staff ratios and resources in identified high risk areas be improved (much as some school boards do now)?
   - How can we ensure that all services have access to appropriately qualified resource teachers?
   - Should more specialized training be developed in the area of "special needs", for early childhood educators?
   - Should the provision of in-service training related to children with special needs be mandatory for all child care staff?

4. Especially for **parents:**
   - What would an accessible child care system mean for you and your community?
   - What are the most important aspects of child care reform (a) for you and your family? (b) for your community?

D. How should a child care system be managed?

Background

All levels of government — federal, provincial and municipal — are involved in funding child care services in Ontario. However, their activities are often not well co-ordinated. Another problem, as noted earlier, is that provincial and municipal government responsibilities for child care services are not clearly defined; the result for families is fewer child care choices and greater difficulty in finding and obtaining the services they need. Work is now underway through the "disentanglement" initiative, to sort out these responsibilities.

Regulating and funding child care services is currently the responsibility of the provincial government. The Ministry of Community and Social Services (MCSS) plays an important role in:

- setting policies and legislation for child care services
- licensing child care services and enforcing standards under the *Day Nurseries Act*
- providing money to municipalities, Indian Bands and agencies approved for the purpose, to provide subsidies that help families meet their child care costs
- providing program development funds, which are used to create new services and supports for existing services
- facilitating local planning groups.

If they choose to be involved, municipal governments are responsible for:

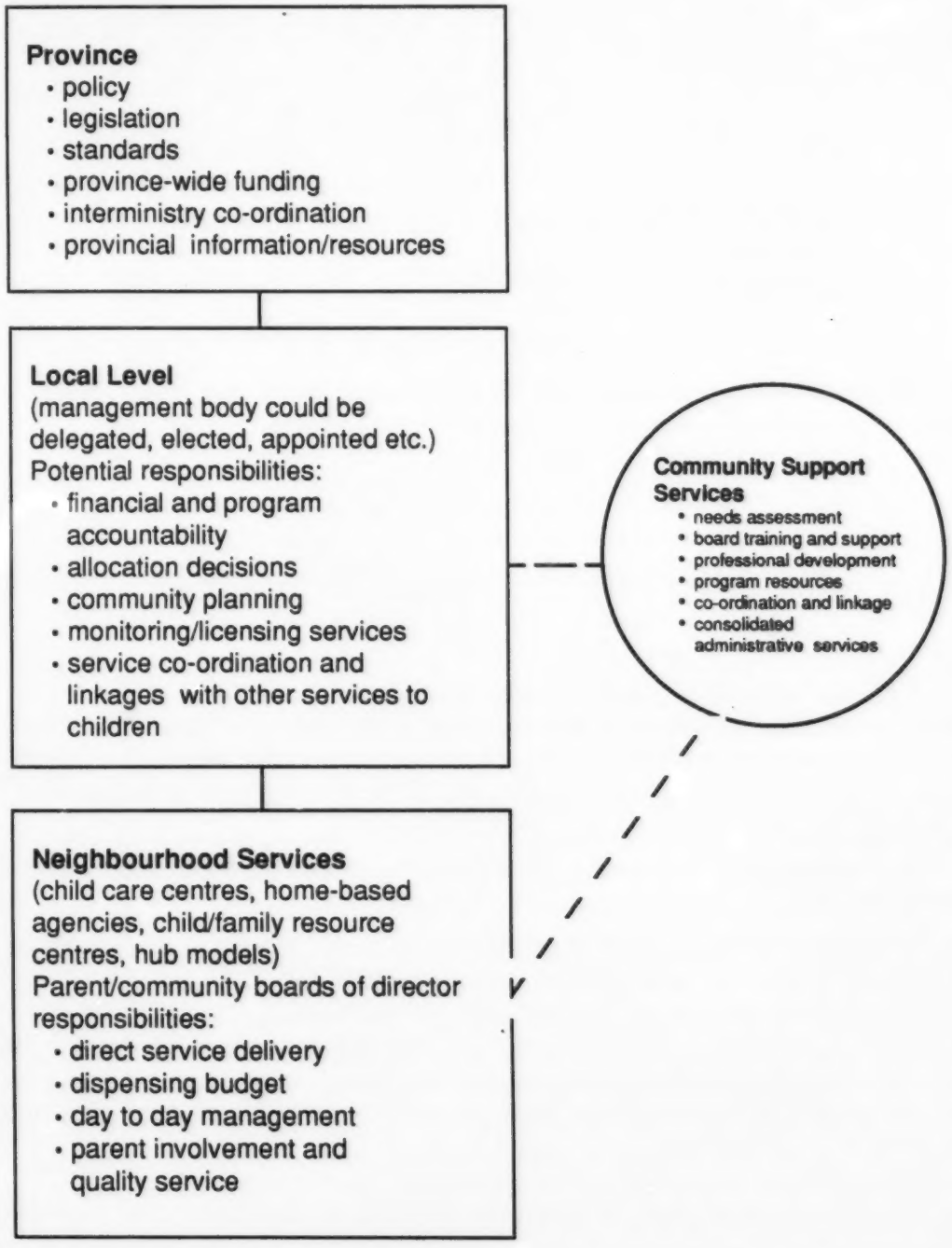
- applying a needs test to decide which families are eligible for fee subsidies
- deciding how many fee subsidies to provide, and their allocation in the community, and priorities among client groups
- contributing 20 per cent of the cost of fee subsidies

Municipal discretion is one reason for wide variations in the provision of regulated child care. These variations are unacceptable because they have led to:

- inequitable distribution of services across geographic regions
- serious service gaps in some areas

System Management Model (Example)

Responsibility areas:



- different criteria for eligibility for fee subsidies in different parts of the province.

Current services require a more consistent and effective management approach to build stability. Similarly, the design of the future child care system and the development of future services can only be achieved with a strong planning and management capability in place, both provincially and locally. This will require basic information for effective planning, needs assessment and evaluation purposes. The local management capacity for acting upon community planning initiatives should be strengthened. We are looking to this consultation to help shape an improved capability to manage child care effectively.

Proposed directions

In order to create a well-managed system, the government is committed to:

Clearly defining provincial and local responsibilities and roles. This is key to ensuring that child care services are delivered effectively and efficiently, and to providing a solid foundation for future growth.

Ensuring that the child care system is accountable to children, parents and taxpayers, and responsive to their needs.

Continuing to provide provincial leadership in child care by establishing policy, licensing standards, and providing funds to local management bodies for direct funding of child care services.

Developing local management capabilities which ensure that service planning includes community participation by parents, providers and other community members. Services should be responsive to local needs, reflect local priorities, and be integrated into the broader system of services to support the healthy development of children.

Providing provincial funding to support local management and to fulfil local management functions and responsibilities.

Ensuring that responsibility for the allocation of funds is commensurate with and tied to other management responsibilities for planning, delivering and monitoring child care services. This recognizes the principle that the quality of management decisions and accountability for the results of those decisions will depend in part on how much discretion management has for the use of available resources. The level of discretion should be appropriate for the level of responsibility.

Issues to consider

Balance of responsibility between the province and local communities:

The management of the system which emerges from child care reform will be shared between the provincial government and local communities. The chart on page 32 shows **one possible** model for defining system management functions. The management structure will monitor child care services to ensure:

- **Quality:** legislated standards are met
- **Accountability:** public funds are properly distributed and used appropriately; expected program results are effectively achieved and reflect local priorities
- **Equity:** service levels to children and families are fairly distributed across Ontario
- **Planning and decision making:** good data collection and retrieval systems are in place as planning and evaluation tools.

The government is seeking advice on what management roles should be undertaken, both provincially and locally, and particularly on the level of delegation of administrative and financial decisions to the local community. Local responsibilities could be delegated in a number of ways, including:

- **Decentralized Provincial Administration:** the province could delegate management responsibility to a local ministry office or to a provincially appointed local organization. Community involvement in planning decisions could be introduced through community-based advisory committees.
- **Local Planning Responsibility:** basic planning functions could be delegated to the local community. This would require the identification of a suitable local organization to develop multi-year plans and determine the desirable future mix of local services. Responsibility for management, legislation (e.g., standards development) and policy would be retained by the province.

- **Local Management Within a Provincial Framework:** Local community responsibility could extend to local service planning, licensing, resource allocation, monitoring, and program and financial accountability. An overall provincial plan could identify levels of service needed to ensure equity, and determine provincial targets based on socio-economic indicators, child population, labour participation rates and so forth. The province could retain responsibility for provincial policy, legislation and standards.

Type of local management:
Regardless of the extent to which management responsibility is delegated, a local management capacity is needed so that communities have input into the management of their own child care services, and can ensure that those services reflect local needs and preferences. Clearly defined roles will help to ensure that services are co-ordinated and managed so that duplication is avoided and maximum use is made of all available resources.

The government is committed to creating a local management capacity that encourages the participation of community members and parents in planning, developing and monitoring child care services. Public advice is sought on the ways in which local management can be structured. Options could include:

- An office of the Ministry of Community and Social Services, with input from community-based advisory committees
- An elected local organization such as the municipal government, school board, or joint social service/health program board
- A provincially-appointed local "child care board" (or a sub-committee of a children's services board) with representatives from local child care programs, parents and community members.

The government is committed to ensuring that local responsibilities for allocating funding to individual child care services are consistent with local levels of responsibility for planning, delivering and monitoring services.

Public advice is sought on ways that the province could provide funding to local management to allow discretionary power while ensuring equitable access across the province. Options could include:

- Funding provided as a "lump sum," based on broad socio-economic indicators of each community. This would provide fairly wide local discretion as to the allocation of resources.
- Some funding earmarked by the province for specific services and other funding left to local discretion, based on locally determined priorities.
- Funding tied to specific child care services and the provision of local management functions in each community. This option would limit local discretion.

Provincial ministerial jurisdiction over child care services: The Ministry of Education is increasingly involved in school based, school age child care. For instance, as noted earlier, one-third of all child care centres are now located in school buildings, and government policy mandates that all new schools built with provincial funds and offering primary and junior programs must include space for child care facilities.

On a practical level this can be confusing for parents and others. They may wonder if, for example, the school principal is in charge of the child care centre. Child care services in schools may also raise questions for those who deliver programs (e.g., will long-term access to school space be available?).

On a broader level, questions have emerged regarding which provincial ministry should be responsible for child care services. Options could include:

- continued jurisdiction under the Ministry of Community and Social Services
- transferring jurisdiction to the Ministry of Education
- a split between the Ministry of Community and Social Services and the Ministry of Education, with the main responsibility for child care services being determined either by location (e.g., centres located in schools could be

run by school boards) or age of the child (e.g., services for younger children could be the responsibility of the Ministry of Community and Social Services, those for older children could be the responsibility of the Ministry of Education).

The government is committed to creating a provincially co-ordinated child care system that is both effective and efficient, and seeks public advice about the best ways to achieve this goal.

Questions for consultation:

System management

1. What role should the provincial government play in the planning and management of child care in Ontario?
   - Do you agree with the proposed direction for a strong provincial role in policy, legislation, standard-setting and funding? What other areas require provincial leadership?
   - How closely should provincial policies for child care and other children's services (e.g., children's mental health, recreation and education) be linked? Which ministry should be responsible for fulfilling provincial obligations for child care?
   - What role should the province play in determining the types and amount of child care services that a community needs?

2. What role should the **local community** play in the planning and management of child care services?
   - How much control should local communities have in managing child care services?
   - Who should make local decisions about child care services? Should local management for child care be part of a broader authority for children's services (e.g. health, education, recreation and social services) or a separate child care authority, or an existing body (e.g., school board, municipality, district health council)?
   - What are the best ways to determine the types and amounts of child care services that a community needs? How should the implementation and operation of those services be monitored?

- What role should parents and other members of the community play in planning services and assessing service quality? How can community participation in planning be ensured?
- How can local management accountability, both for the quality and effectiveness of child care services, and for the use of financial resources be established and ensured?
- What kind of assistance in terms of supporting existing services and developing new ones do communities need? Who should provide that assistance? Who should co-ordinate community-based supports?

IV. How you can become involved in the reform process

The consultation process for reforming child care will involve a wide range of individuals and organizations concerned about the future of child care services in Ontario. The government particularly wants to hear parents' views on the directions and proposals for child care reform. A summary paper, based on this document and written especially for parents, will be available.

What is your vision for Ontario's future child care system? If you are a current user of child care, or if you've used child care in the past, tell us how you would like the system to develop — for children and for their parents.

We invite you to respond in writing or take part in local community meetings that will be held in selected cities and towns across Ontario. Details on public meetings, and on how you can participate, will be advertized locally. Get together with neighbours, child care providers, or local child care networks to discuss the issues and directions proposed in this paper. Feel free to copy the paper for your meetings. Use the questions identified here to structure your response, and raise any additional questions and concerns you may have.

Provincial and local associations with an interest in child care reform may want to encourage their members to participate in meetings and in preparing responses. The issues and questions in this paper may be used as a guide to discussion. In addition to preparing more formal briefs, groups may wish to make an oral presentation at a community-based event.

Your ideas and suggestions, and requests for additional information should be directed to:

Child Care Reform Consultation
Child Care Branch
Ministry of Community and Social Services
30th Floor, 2 Bloor Street West
Toronto, Ontario
M7A 1E9
Telephone: (416) 327-4865
Fax: (416) 327-0563

GLOSSARY OF TERMS

Child Care — Refers to the range of supports and services available to families with children. Services include unregulated care, licensed centre-based care, nursery schools, developmental care, integrated centres, licensed home-based care and child/family resource centres.

***Day Nurseries Act* and Regulation** — The Ontario legislation that governs the operation of licensed child care services, both centre-based and home-based.

Day Nurseries Licence — Granted by the Ministry of Community and Social Services when a child care centre or home-based care agency meets the requirements of care and practice as set out in the *Day Nurseries Act*. Annually renewed following inspection.

Licensed Centre- Based Care — Premises that receive more than five children up to and including 12 years of age, who are not of common parentage, primarily for temporary care and guidance, for a period not exceeding 24 hours.

Licensed Home-Based Care — The temporary care of five or fewer children up to and including 12 years of age, where such care is provided in a private residence, other than the home of a parent or guardian of any such child, for a period not exceeding 24 hours. Agencies that approve homes and caregivers for this service, must be licensed under the *Day Nurseries Act*.

Needs Test — Used to determine the eligibility of families for government assistance in meeting their licensed child care costs. The test is defined in the *Day Nurseries Act* and is usually administered by municipalities, Indian Bands or approved agencies on behalf of the Ministry of Community and Social Services.

Non-Profit Child Care — Includes services which are governed by a Board of Directors, usually composed of parents and/or community members and which are legally incorporated under the *Corporations Act*, the *Co-operative Corporations Act* or operated by a municipality or Indian Band.

Resource Centres — Also known as child/family resource centres, parent/child resource centres, drop-in centres: provide a wide range of possible services to support parents and caregivers, including toy-lending libraries, child care registries, parent education, play groups, caregiver training and networks, and emergency child care services.

Special Needs — Refers to any physical, emotional or social conditions resulting in a delay in normal growth or development.

Standards — The minimum requirements for child care programs found within the Regulation of the *Day Nurseries Act*. Standards cover many aspects of operation including health and safety, staff qualifications, adult/child ratios, nutrition, and space requirements, behaviour management and administration.

Subsidy — Fee assistance for licensed child care costs to families deemed eligible by the needs test. Usually administered by the local municipality, Indian band or an approved agency and cost-shared by the federal, provincial and local levels of government.